



Financial and Banking Operations Department -International Reserves Management Division-

EUR EURO SPOT PRICE 1.2181

DATE	PRICE	DATE	PRICE
F 3/17	1.2181	F 2/17	1.1878
T 3/16	1.2050	T 2/16	1.1911
W 3/15	1.2050	W 2/15	1.1914
T 3/14	1.2016	T 2/14	1.1946
M 3/13	1.1934	M 2/13	1.1909
F 3/10	1.1894	F 2/10	1.1974
T 3/ 9	1.1909	T 2/ 9	1.1944
W 3/ 8	1.1928	W 2/ 8	1.1974
T 3/ 7	1.1889	T 2/ 7	1.1962
M 3/ 6	1.1996	M 2/ 6	1.1919
F 3/ 3	1.2025	F 2/ 3	1.1974
T 3/ 2	1.2012	T 2/ 2	1.1944
W 3/ 1	1.1913	W 2/ 1	1.1974
T 2/28	1.1923	T 1/28	1.1962
M 2/27	1.1853	M 1/27	1.1919

International Financial Market Report

(23 - 27 November 2020)

BLOOMBERG NEWS AUDIO/VIDEO

Search Audio/Video: 3/17/06 19:27:27

Bankinvest's Broby: Softbank, Vodafone, L'Oreal, Body Shop

Daniel Broby, chief investment officer at Bankinvest, discusses the Japanese mobile-phone unit and L'Oreal's purchase of Body Shop International Plc.

ICAP's Smith: U.S. Dollar, Fed Reserve

ICAP's Smith discusses U.S. Dollar, Fed Reserve, and Walker: Fiscal Policy and Deficit.

F.Mat's Bennett: U.S. Dollar, Fed Reserve, Euro

F.Mat's Bennett discusses U.S. Dollar, Fed Reserve, Euro, and China Airlines' Wei: Fleet Reorganization, Earnings Outlook.

Bear Stearns Teleconference: Fiscal First Quarter Profit

LIVE <GO> Events

Event	Date	Time	Language	Type
14) Legal & General Teleconference: Full-Year Earnings	3/17	Now Playing	English	🗑️
15) UBS Warburg's Hickson: Outlook for Steel Industry	3/17	Now Playing	English	🗑️
16) European Commission: Daily News Conference	3/17	20:00 - 20:30	English	🗑️
17) Egypt's Mohamed: Sale of State-Owned Businesses	3/17	21:05 - 21:20	English	🗑️
18) Bonders Group Teleconference: 4th-Qtr Results	3/17	22:00 - 23:00	English	🗑️
19) AIG Teleconference About Fourth-Quarter Results	3/17	22:30 - 23:30	English	🗑️

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410
Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 218 2000 Copyright 2006 Bloomberg L.P. 6615-311-3 1P-MR-06 19/27/28

USD INTEREST RATE SWAPS

Ticker	Bid	Ask	Mid	Chng
US Semi 30/360				
2) 2 YR	5.0670	5.0800	5.0755	+0.0305
3) 3 YR	5.0500	5.0720	5.0610	+0.0330
4) 4 YR	5.0620	5.0740	5.0680	+0.0250
5) 5 YR	5.0860	5.0920	5.0890	+0.0235
6) 6 YR	5.1100	5.1130	5.1105	+0.0170
7) 7 YR	5.1300	5.1350	5.1325	+0.0170
8) 8 YR	5.1470	5.1530	5.1500	+0.0160
9) 9 YR	5.1620	5.1680	5.1640	+0.0135
10) 10 YR	5.1780	5.1830	5.1805	+0.0175
11) 15 YR	5.2370	5.2430	5.2400	+0.0145
12) 20 YR	5.2670	5.2720	5.2690	+0.0130
13) 30 YR	5.2750	5.2840	5.2795	+0.0190

Change on day
IYC4 I52<GO>
Change on Month
IYC6 I52<GO>

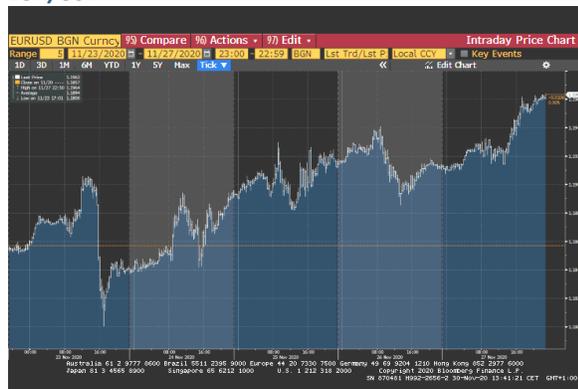
RATE SWAPS

Ticker	Bid	Ask	Mid	Chng
US SPREADS				
22) 2 YR	42.88	44.13	43.50	--
23) 3 YR	41.50	42.75	42.13	-.17
24) 4 YR	44.38	45.63	45.00	-.10
25) 5 YR	48.25	49.25	48.75	+.25
26) 6 YR	49.50	50.50	50.00	+.30
27) 7 YR	50.50	51.50	51.00	+.40
28) 8 YR	51.13	52.13	51.63	+.33
29) 9 YR	51.75	52.75	52.25	+.45
30) 10 YR	52.25	53.25	52.75	+.50
31) 15 YR	57.00	58.00	57.50	+.50
32) 20 YR	58.63	59.88	59.25	+.15
33) 30 YR	57.38	58.63	58.00	+.20

Change on day
IYC4 I48<GO>
Change on Month
IYC6 I48<GO>
For US Govt Yield Curve, type {IYC1 I2
For US swap Curve, type {IYC1 I52 <G

FX NEWS

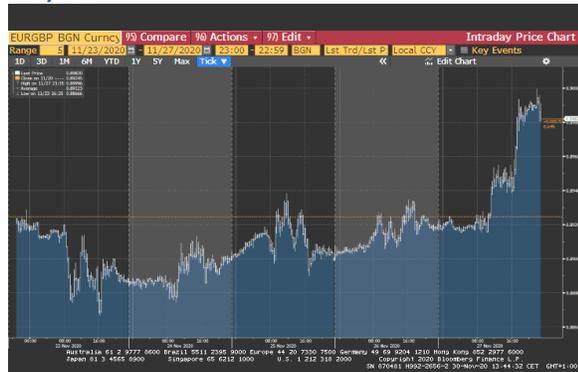
EUR/USD



Source: Bloomberg LP

The **EUR/USD exchange rate** appreciated in this reporting week. At the beginning of the week, the encouraging news about the new vaccine development at Oxford University boosted the demand for riskier means, causing the exchange rate's appreciation. Despite the exchange rate's drop after the publishing better-than-expected US economic data (production and service indices), its growth continued due to strong demand for riskier assets. President Trump authorised his administration to allow a gradual transition for the new president of Biden. Moreover, there was also news that former Fed president Janet Yellen could succeed Steven Mnuchin as Secretary of the Treasury. Favourable economic data from Germany (GDP, business climate index, consumer confidence) released later this week supported the exchange rate's growing trend. Despite the deteriorating health situation in Germany and France, and the intransigence of Hungary and Poland in adopting the EU budget, the exchange rate reached its 3-month high by the end of the week (1.1964). (Hungary and Poland oppose the adoption of a budget based on a mechanism allowing the EU to cut funds to EU members whose governments undermine democratic standards and the rule of law.) This happened as optimism prevailed that vaccines against Covid-19 would soon be available.

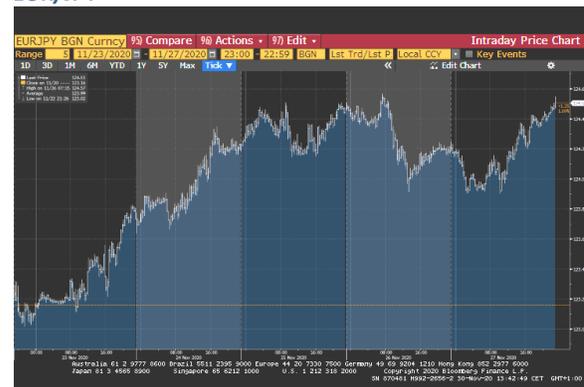
EUR/GBP



Source: Bloomberg LP

At the beginning of the reporting week, the **EUR/GBP exchange rate** trended down slightly. This happened as market participants were convinced that the UK and the EU would reach a post-Brexit trade agreement. News of vaccine development in this country also boosted confidence in the British currency. However, as of Tuesday afternoon, the exchange rate began to recover and maintained a growing trend until the end of the reporting period. The publication of better-than-expected German economic data caused the euro to strengthen, and the exchange rate began to rise. Despite optimism about Brexit from early this week, sterling depreciated as no agreement had been reached yet, with the month-end approaching and the transition period deadline (December). The British Prime Minister's statement of the still present disagreements between the UK and the EU officials additionally boosted the exchange rate's appreciation on Friday.

EUR/JPY



Source: Bloomberg LP

The **EUR/JPY exchange rate** also appreciated during this reporting period. The easing of the political situation in the USA resulted in increased demand for riskier assets, weakening the value of the yen as a safe currency. Namely, the "green light" was given to start the Biden administration's transition process to the White House. There were rumours that the newly elected US President would elect the former Fed president as the Secretary of the Treasury. By the end of the week, the news of the vaccine progress and its sooner distribution boosted the demand for riskier funds.

Table 1 - Exchange rates of the most important currencies

	23.11.2020¹	27.11.2020²	% Change
EUR/USD	1.1857	1.1963	0.89
EUR/GBP	0.89245	0.89832	0.66
EUR/JPY	123.16	124.48	1.07
EUR/AUD	1.62354	1.61964	-0.24
EUR/CHF	1.08036	1.08008	-0.03
USD/JPY	103.86	104.09	0.22
GBP/USD	1.3275	1.3311	0.27

Table 2 - Overview of the reference interest rates of the leading central banks

Central Bank	Reference interest rate	Reference interest rate level	Next meeting
European Central Bank	ECB main refinancing rate	0.00%	10 December 2020
Federal Reserves	Federal Funds Target Rate	0.25%	16 December 2020
Bank of Japan	Overnight Call Rate	-0.10%	18 December 2020
Bank of England	Official Bank Rate	0.10%	17 December 2020
Swiss National Bank	Libor Target Rate	-0.75%	17 December 2020
Bank of Canada	Target Overnight Rate	0.25%	9 December 2020
Reserve Bank of Australia	Cash Rate Target	0.10%	1 December 2020

3 – Eonia and Euribor

	23.11.2020¹	27.11.2020²	Change in basis points
Eonia	-0.472	-0.472	0.00
Euribor 1W	-0.545	-0.548	0.30
Euribor 1M	-0.543	-0.546	0.30
Euribor 3M	-0.528	-0.528	0.00
Euribor 6M	-0.509	-0.507	-0.20
Euribor 12M	-0.483	-0.487	0.40

¹ Opening market value on Monday

² Closing market value on Friday

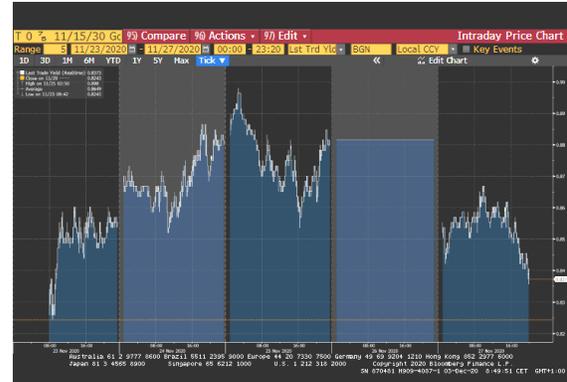
EUROPEAN GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on 10-year German government bonds had a slight upward trend during the first half of the week due to positive news about the vaccine development. From the middle of the week, it began to weaken, as the ECB's chief economist expressed concern about the financial conditions in the euro area. The return on 10-year German bonds stood at -0.58% at the end of this week.

US GOVERNMENT BONDS MARKET



Source: Bloomberg LP

The return on US 10-year bonds rose during the first two days of this reporting period. It happened both as the US administration transition process began, and due to positive news about the coronavirus vaccine. In the middle of the week, the return on these bonds did not change significantly as US bond markets were closed on Thursday for holidays. On Friday, the return on these bonds fell slightly and was at the level of 0.83%.

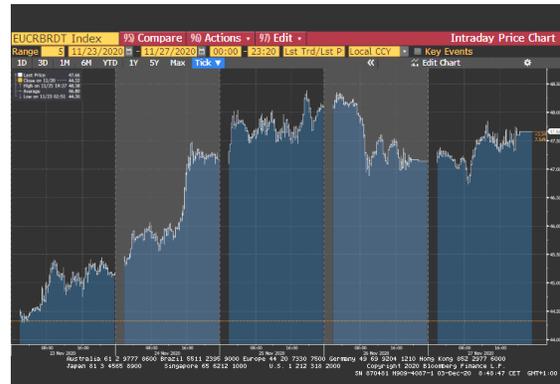
GOLD



Source: Bloomberg LP

The gold price was declining during the first two days of this reporting period, amid optimism regarding the coronavirus vaccine development and after signs showing US economic growth recovery. For the rest of the week, the gold price was stable until just before the end of the reporting period. At its very end, the price fell again as optimism about the coronavirus vaccine development increased.

OIL



Source: Bloomberg LP

During the first three days of this reporting period, oil prices rose due to positive news about the coronavirus vaccine and treatments. Vaccine development is expected to have a positive impact on the demand recovery for this fuel in the coming period. The rise in oil prices was further affected by the news that crude oil inventories in the USA fell during the previous week. The oil price stabilised during the last two days of this week.

Table 4 - Economic indicators (23 – 27 November 2020)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<p>Economic Confidence The economic confidence indicator is derived from consumer and company survey. It consists of industrial confidence indicator, service confidence indicator, consumer confidence indicator, confidence indicator in the construction sector and confidence indicator in retail.</p>	November	86.0	87.6	90.9
Germany	<p>GDP S.A. This indicator measures the final market value of all products and services produced within a country. It is the most used indicator of economic activity.</p>	Q3 QoQ%	8.2%	8.5%	8.2%
	<p>IFO Business climate Monthly survey of companies in Germany (in production, construction, wholesale and retail), in terms of the current business climate and expectations for the next 6 months. Given that Germany “accounts for” a quarter of the total GDP of the euro area, this is a significant indicator of the economic health of the euro area as a whole.</p>	November	90.2	90.7	92.7
	<p>GfK Consumer Confidence This index tracks confidence among households’ and consumers’ economic performance. The result is obtained from a survey on a sample of households.</p>	December	-4.9	-6.7	-3.1
USA	<p>Markit US Manufacturing PMI This index tracks confidence among managers in manufacturing companies. It is obtained as a result of surveys on production, orders, inventories, employment, prices, etc.</p>	November	53.0	56.7	53.4
	<p>Markit US Services PMI This index is monitored by trust among service company managers.</p>	November	55.0	57.7	56.9
	<p>Durable Goods Orders This indicator measures the value of new orders received during the observed period.</p>	October MoM%	0.8%	1.3%	1.9%
	<p>Personal Income This indicator monitors all household income, including salaries, wages, investment income, rent income, transfer payments, etc.</p>	October MoM%	-0.1%	-0.7%	0.9%
	<p>Personal Spending This indicator monitors all consumers’ expenditures on products and services.</p>	October MoM%	0.4%	0.5%	1.4%

Source: Bloomberg